

OKHAHLAMBA MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2008

In terms of section 126 (1) of the Municipal Finance Management Act,
I am responsible for the annual financial statements, which are set out on pages 2 to 32, and
which I have signed on behalf of the municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 24 of
these annual financial statements are within the upper limits of the framework envisaged in
Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and
the Minister of Provincial and Local Government's determination in accordance with this Act.

MUNICIPAL MANAGER

Date

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OKHAHLAMBA LOCAL MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2008

	Note	2008 R	2007 R
NET ASSETS AND LIABILITIES			
Net assets		27,333,356	21,223,465
Housing Development Fund	1	3,000,121	853,103
Capital Replacement Reserve		1,550,836	1,550,836
Capitalisation Reserve		929,290	1,025,408
Government grant reserve		22,089,982	13,870,315
Donations and public contributions reserve			
Accumulated Surplus/(Deficit)		(236,873)	3,923,803
Non - current liabilities		5,250	36,385
Long term liabilities	2	5,250	36,385
Non - current provisions			
Current liabilities		48,164,448	22,256,296
Consumer deposits			
Provisions			
Creditors	6	1,548,242	4,720,707
Unspent conditional grants and receipts	7	45,286,491	16,384,443
Value Added Tax		1,294,713	
Short term loans			
Bank overdraft	18		602,647
Current portion of long term liabilities	2	35,002	548,499
Total Net Assets and Liabilities		<u>75,503,054</u>	<u>43,516,146</u>
ASSETS			
Non - current assets		23,465,587	15,419,917
Property , plant and equipment	10	23,465,587	15,419,917
Investment property			
Investments			
Long term receivables			
Current assets		52,037,467	28,096,229
Inventory			
Consumer debtors	15	2,030,074	1,708,687
Other debtors	16	2,044,749	2,138,404
Current portion of long term debtors			
Value added tax			
Call investment deposits	17	46,473,785	24,200,883
Bank balances and cash	30	1,488,859	48,255
Total Assets		<u>75,503,054</u>	<u>43,516,146</u>

**OKHAHLAMBA LOCAL MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2008**

BUDGET				ACTUAL	
2007	2008	REVENUE	Note	2008	2007
3,800,000	4149000	Property rates	19	4,200,095	3,868,897
		Property rates - penalties imposed and collection			
371,000	620000	charges		816,890	596,906
410,000	566500	Service charges	20	580,388	677,557
5,000	18000	Rental of facilities and equipment		32,724	15,010
250,000	800000	Interest earned - external investments		4,227,533	1,605,234
	0	Interest earned - outstanding debtors			
150,000	200000	Fines		89,340	116,740
	0	Licences and permits			
150,000	150000	Income for agency services		191,258	86,217
24,031,500	26057220	Government grants and subsidies	21	32,527,411	31,817,317
249,500	190300	Other income	22	190,568	138,379
		Public contributions, donated and contributed			
	0	property, plant and equipment			
	0	Gain on disposal of property, plant and equipment			
<u>29,417,000</u>	<u>32,751,020</u>	Total Revenue		<u>42,856,207</u>	<u>38,922,257</u>
EXPENDITURE					
9,955,784	12303821	Employee related costs	23	11,912,235	10,028,833
4,373,951	4212309	Remuneration of Councillors	24	4,452,903	4,319,000
500,000	500000	Bad debts	15	1,605,785	4,109,312
	0	Collection costs			
270,100	269750	Depreciation		2,694,637	398,681
916,000	1487302	Repairs and maintenance		1,423,584	870,763
135,000	135000	Interest paid	25	35,243	149,938
	0	Bulk purchases			
120,000	3852269	Contracted services		3,315,203	2,464,555
	0	Grants and subsidies paid			
12,882,095	12384416	General expenses		11,306,725	9,083,691
	0	Loss on disposal of property, plant and equipment			
<u>29,152,930</u>	<u>35,144,867</u>	Total Expenditure		<u>36,746,315</u>	<u>31,424,773</u>
<u>264,070</u>	<u>-2,393,847</u>	Surplus for the year		<u>6,109,892</u>	<u>7,497,484</u>

Refer to Appendix E .1 for explanation of variances

OKHAHLAMBA LOCAL MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2008

2007	Non-distributable Reserves R	Housing Development Fund R	Capital Replacement Reserve R	Capitalisation Reserve R	Governm. Grant Reserve R	Revaluation Reserve R	Accumulated Surplus R	Total R
Balance at 30 June 2007	-	853,103	1,550,836	1,025,409	13,870,315	-	3,923,806	21,223,469
Restated balance at 1 July 2007 2008	-	853,103	1,550,836	1,025,409	13,870,315	-	3,923,806	21,223,469
Surplus for the year							6,109,887	6,109,887
Grants transferred								-
VAT claim - previous year								-
Property, Plant and equipment purchased					10,740,306		(10,740,306)	-
Transfer to Housing Development Fund		2,147,018					(2,147,018)	-
Offsetting of Depreciation				(96,119)	(2,520,639)		2,616,758	-
	-	3,000,121	1,550,836	929,290	22,089,982	-	(236,873)	27,333,356

OKHAHLAMBA LOCAL MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 R	2007 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		66,302,991	36,252,958
Cash paid to suppliers and employees		(34,894,194)	(23,335,851)
Cash generated from (utilised in) operations	29	31,408,797	12,917,107
Interest received		4,227,533	1,605,234
Interest paid		(35,243)	(149,938)
NET CASH FROM OPERATING ACTIVITIES		<u>35,601,087</u>	<u>14,372,403</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(10,740,305)	(6,839,825)
Purchase of housing infrastructure			
Proceeds on disposal of property, plant and equipment			
(Increase) decrease in investment properties			
(Increase) decrease in non - current receivables			83,207
(Increase) decrease in non - current investments			
(Increase) decrease in call investments		(22,272,901)	(6,654,065)
NET CASH FROM INVESTING ACTIVITIES		<u>(33,013,206)</u>	<u>(13,410,683)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
New loans raised (repaid)		(544,631)	(714,218)
Increase (decrease) in consumer deposits			
Increase (decrease) in short term loans			
NET CASH FROM FINANCING ACTIVITIES		<u>(544,631)</u>	<u>(714,218)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		<u>2,043,250</u>	<u>247,502</u>
Cash and cash equivalents at the beginning of the year		(554,392)	(801,894)
Cash and cash equivalents at the end of the year		<u>1,488,858</u>	<u>(554,392)</u>
		<u>2,043,250</u>	<u>247,502</u>

**OKHAHLAMBA MUNICIPALITY
ACCOUNTING POLICIES
TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

1. BASIS OF PRESENTATION

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) and the Standards of Generally Accepted Municipal Accounting Practices (GAMAP) prescribed by the Minister of Finance in terms of :

- General Notice 991 of 2005, issued in Government Gazette No. 28095 of 15 December 2005;
- General Notice 992 of 2005, issued in Government Gazette no. 28095 of 7 December 2005.

The Standards comprise of the following:

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GAMAP 4	The Effects of Changes in Foreign Exchange Rates
GAMAP 6	Consolidated Financial Statements and Accounting for Controlled Entities
GAMAP 7	Accounting for Investment in Associates
GAMAP 8	Financial Reporting of Interests in joint Ventures
GAMAP 9	Revenue
GAMAP 12	Inventories
GAMAP 17	Property, Plant and Equipment
GAMAP 19	Provisions, Contingent Liabilities and Contingent Asset

These accounting policies are consistent with those of the previous financial year, except as indicated in Note 29. Comparative amounts have been restated to the extent possible.

The Municipality may have transactions, events or balances that are not covered by the above GRAP and GAMAP .Standards have been developed in accordance with paragraphs 7,11 and 12 of GRAP 3 These accounting policies and the applicable disclosures have been based on Standards Of International Public Sector Accounting Standards (PSAS) issued by the International Federation of Accountants-Public Sector Committee, International Accounting Standards (IAS) issued by the International Accounting Standards Boards of Generally accepted Accounting Practice issued by the South African Accounting Practice Board (IAS) issued by the International Accounting Standards Boards of Generally Accepted Accounting Practice issued by the South African Accounting Practice Boards and the South African Institute of Chartered Accountants' Accounting Practice Committee.

The Minister of Finance has, in terms of General Notice 552 of 2008 – Gazette 30013 – exempted compliance with certain of the above mentioned standards and aspects or parts of

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these standards. Details of the exemptions applicable to the municipality have been provided in the notes to the annual financial statements.

The principal accounting policies adopted in the preparation of these annual financial statements, which have been consistently applied, except where an exemption has been granted, are disclosed below.

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GAMAP or GRAP.

2. PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand

3. GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on a going concern basis.

4. HOUSING DEVELOPMENT FUND

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the Municipality were extinguished on 01 April 1998 and transferred to a Housing Development Fund. Housing selling schemes both complete and in progress as at 01 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipality area subject to the approval of the Provincial MEC responsible for housing.

5. RESERVES

5.1 Capital Replacement Reserves (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus to the CRR in terms of a Council resolution. A corresponding amount is transferred to a designated CRR bank or Investment account. The cash in the designated CRR bank account can only be utilised to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus is credited by a corresponding amount when the amounts in the CRR are utilised.

5.2 Capitalisation Reserve

On the implementation of GAMAP/GRAP, the balance on certain funds, created in terms of the various Provincial Ordinances applicable at the time, that had historically been utilised for the acquisition of items of property, plant and equipment, have been transferred to a Capitalisation Reserve instead of the accumulated surplus in terms of a directive (budget circular) issued by National Treasury. The purpose of this Reserve is to promote consumer equity by ensuring that future depreciation expenses that will be incurred over the useful lives of these items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus.

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The balance in the Capitalisation Reserve equals the carrying value of the items of property, plant and equipment financed from the former legislated funds. When items of property, plant and equipment are depreciated, a transfer is made from the Capitalisation Reserve to the accumulated surplus.

When an item of property, plant and equipment is disposed of, the balance in the Capitalisation Reserve relating to such item is transferred to the accumulated surplus.

5.3 *Government Grant Reserve*

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus equal to the amount of the annual depreciation. The purpose of this policy is to promote community equity by ensuring that future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus.

When an item of property, plant and equipment financed from government grants is disposed of, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus.

5.4 *Donations and Public Contribution Reserve*

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus to the Donations and Public Contribution Reserve equal to the donations and public contributions recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated a transfer is made from the Donations and Public Contributions Reserve to the accumulated surplus. The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from donations and public contributions.

When an item of property, plant and equipment financed from government grants is disposed of, the Donations and Public Contributions Reserve relating to such item is transferred to the accumulated surplus.

6. *PROPERTY, PLANT AND EQUIPMENT*

Property, plant and equipment, is stated at cost, less accumulated depreciation. Land is not depreciated as it is deemed to have an indefinite life.

The cost of items of property, plant and equipment acquired in exchange for a non-monetary or monetary asset, or a combination of monetary and non-monetary assets is measured at its fair

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value. If the cost cannot be measured at its fair value, its cost is measured at the carrying amount of the asset given up.

Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset is met.

Depreciation is calculated based on cost, using the straight-line method over the estimated useful lives of the assets. The annual depreciation rates are based on the following estimated asset lives:-

	YEAR		YEARS
Infrastructure		Other	
Roads and Paving	10-20	Buildings	30
Pedestrian Malls	30	Air conditioners	7
Electricity	25	Vehicles and tractors	7
Water	20	Office equipment	5
Sewerage	20	Furniture and Fitting	10
		Machinery and equipment	7
		Tools	5
Community		Radios	5
Buildings	30		
Recreation Facilities	10		

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.

In 2006/2007 the requirements of GAMAP 17 and IAS 36 were not complied with as follows:

- Review of useful life of items of property, plant and equipment recognized in the annual financial statements.
- Review of depreciation method applied to property, plant and equipment recognized in the annual financial statements
- Testing for and impairing any items of property, plant and equipment recognized in the annual financial statements

This is due to the exemption granted in Gazette 30013 (see note 1)

**OKHAHLAMBA MUNICIPALITY
ACCOUNTING POLICIES
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7. INVESTMENTS

Financial Instruments

Financial Instruments, which include fixed deposits and short-term deposits invested in registered banks, are stated at cost.

Where investments have been impaired, the carrying value is adjusted by the loss, which is recognised as an expense in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance

8. INVENTORIES

Consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost and net realisable value. The basis of determining cost is the weighted average method.

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overheads costs.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regards to their estimated economic or realisable values.

9. ACCOUNTS RECEIVABLE

Accounts receivable are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Bad debts are written off during the year in which they are identified. Amounts that are receivable within 12 months from the reporting date are classified as current.

10. TRADE CREDITORS

Trade creditors are stated at their nominal value.

11. REVENUE RECOGNITION

11.1 Revenue from exchange transactions

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Interest and rentals are recognised on a time proportionate basis.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licenses and permits.

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Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of an agency agreement.

Finance income from the sale of housing by way of instalment sales, agreements or finance leases is recognised on a time proportionate basis.

Revenue from the sale of goods is recognised when the risk has passed to the consumer.

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment when such item of property, plant and equipment is brought into use. Where public contributions have been received but the municipality has not met the condition, a liability is recognised.

11.2 Revenue from non-exchange transactions

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportionate basis.

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received.

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are brought into use.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment are brought into use.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No. 56 of 2003) and is recognised when the recovery thereof from the responsible Councillors or officials is virtually certain.

12. CONDITIONAL GRANT AND RECEIPTS

Revenue received from conditional grants and donations is recognised as revenue to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligation have not been met, a liability is recognised.

13 PROVISIONS

Provisions are recognised when the Municipality has a present or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting sheet date and adjusted to reflect the current best estimate. Non-current provisions are discounted to the present value using a discount rate based on the average cost of borrowing to the municipality.

**OKHAHLAMBA MUNICIPALITY
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14. CASH AND CASH EQUIVALENTS

Cash includes cash on hand and with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of six months or less and are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdraft.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred.

15. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

16. IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No 56 of 2003), the Municipal System Act (Act No. 32 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

17. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

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18. COMPARATIVE INFORMATION

18.1 Current Year Comparatives

Budgeted amounts have been included in the annual financial statements for the current and previous financial years

18.2 Prior Year Comparatives

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are reclassified.

OKHAHLAMBA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
1 HOUSING DEVELOPMENT FUND		
Housing Development Fund		
Unappropriated Surplus	3,000,121	853,103
Loans extinguished by Government on 1 April 1998		
	<u>3,000,121</u>	<u>853,103</u>
The Housing Development Fund is represented by the following assets and liabilities		
Property, plant and equipment (see note 10)		
Housing selling scheme loans (see note 13)		
Housing rental and instalment debtors (see note 15)		
Bank and cash	3,000,121	853,103
Sub - total	3,000,121	853,103
Creditors		
Total Housing Development Fund Assets and Liabilities	<u>3,000,121</u>	<u>853,103</u>
2 LONG TERM LIABILITIES		
Capitalised lease liability	30,802	106,684
External loans	9,450	478,200
	<u>40,252</u>	<u>584,884</u>
Less current portion transferred to current liabilities	(35,002)	(548,499)
	<u>5,250</u>	<u>36,385</u>
The lease liability is secured over the leased vehicles		
3 NON - CURRENT PROVISIONS	-	-
4 CONSUMER DEPOSITS	-	-
5 PROVISIONS	-	-
6 CREDITORS		
Trade creditors	49,748	3,478,108
Staff leave	592,400	634,131
Deposits other	119	119
Receipts in advance	361,455	
Other creditors	544,520	608,349
	<u>1,548,242</u>	<u>4,720,707</u>
7 UNSPENT CONDITIONAL GRANTS AND RECEIPTS		
7.1 Conditional grants from other spheres of government	45,286,491	16,384,443
Total conditional grants and receipts	<u>5,286,491</u>	<u>16,384,443</u>
Refer Appendix F		
These amounts are invested in a ring - fenced investment until utilised.		

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8	VAT					
	VAT refundable					402,115
	VAT payable				1,294,712	
	VAT is payable on the receipts basis					
9	SHORT TERM LOANS				-	-
10	PROPERTY, PLANT AND EQUIPMENT					
	30-Jun-2007					
	Reconciliation of carrying value	Land and Buildings	Infra-structure	Other	Housing	Total
	Carrying value at 1 July 2007					
	Cost	5,503,431	13,107,356	5,303,692	325,134	24,239,613
	Revaluation					
	Accumulated depreciation					
	- Cost	(1,717,787)	(3,532,117)	(3,569,791)	-	(8,819,695)
	- Revaluation					
		3,785,644	9,575,239	1,733,901	325,134	15,419,918
	Acquisitions			320,993		320,993
	Capital under construction		10,419,313			10,419,313
	Increases (decreases) in revaluation					
	Depreciation					
	- based on cost	(240,746)	(1,984,677)	(469,214)		(2,694,637)
	- based on revaluation					
	Carrying value of disposals					
	Cost/revaluation					
	Accumulated depreciation					
	Carrying value at 30 JUNE 2008					
	Cost	5,503,431	23,526,669	5,624,685	325,134	34,979,919
	Revaluation					
	Accumulated depreciation					
	- Cost	(1,958,533)	(5,516,794)	(4,039,005)	-	(11,514,332)
	- Revaluation					
		3,544,898	18,009,875	1,585,680	325,134	23,465,587

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

Reconciliation of carrying value	Land and Buildings	Infrastr- ucture	Other	Housing	Total
Carrying value at 1 July 2006					
Cost	5,503,431	6,511,794	5,059,429	325,134	17,399,788
Revaluation					
Accumulated depreciation					
- Cost	(1,688,000)	(3,432,242)	(3,300,771)		(8,421,013)
- Revaluation					
	3,815,431	3,079,552	1,758,658	325,134	8,978,775
Acquisitions		3,775,209	244,263		4,019,472
Capital under construction					
Increases (decreases) in revaluation					
Depreciation					
- based on cost	(29,787)	(99,875)	(269,020)		(398,682)
- based on revaluation					
Carrying value of disposals					
Cost/revaluation					
Accumulated depreciation					
Carrying value at 30 JUNE 2007					
Cost	5,503,431	10,287,003	5,303,692	325,134	21,419,260
Revaluation					
Accumulated depreciation					
- Cost	(1,717,787)	(3,532,117)	(3,569,791)	-	(8,819,695)
- Revaluation					
	3,785,644	6,754,886	1,733,901	325,134	12,599,565

Refer to Appendix B for more detail on property, plant and equipment

The Municipality has taken advantage of the transitional provisions set out in GAMAP 17. The Municipality is in the process of itemising all infrastructure and community assets and will recalculate accumulated depreciation once this exercise has been completed by 30 June 2009. At present depreciation on these assets is calculated on an averaging basis whereby an average useful life has been calculated for each category of infrastructure and community assets using global historical costs recorded in the accounting records.

11 INVESTMENT PROPERTY

Valuation

12 INVESTMENTS

Long term

13 LONG TERM RECEIVABLES

14 INVENTORY

OKHAHLAMBA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

15 CONSUMER DEBTORS

Balances at 30 June 2008	Gross balance	Provision for doubtful debts	Net balance
Service debtors	658,230	496,492	161,738
Rates	6,256,060	4,718,838	1,537,222
Other	1,347,540	1,016,426	331,114
Total	8,261,830	6,231,756	2,030,074

Balances at 30 June 2007

Service debtors	433,692	326,920	106,772
Rates	4,560,171	3,437,490	1,122,681
Other	1,946,580	1,467,346	479,234
Total	6,940,443	5,231,756	1,708,687

Rates: Ageing	2008	2007
Current (0 - 30 days)	376,078	325,328
31 - 60 days	257,947	196,707
61 to 90 days	218,868	168,962
91 - 120 days	208,861	160,787
121 days and over	5,194,307	3,707,436
Total	6,256,061	4,559,220

Refuse and other : Ageing

Current (0 - 30 days)	(323,428)	37,009
31 - 60 days	28,112	24,996
61 to 90 days	25,105	22,822
91 - 120 days	26,204	21,648
121 days and over	2,249,776	2,274,748
Total	2,005,769	2,381,223
	8,261,830	6,940,443

Provision has been increased by the increase in net debtor balances rounded to the next R100,000

16 OTHER DEBTORS

VAT refundable	-	402,115
Other	2,044,749	1,736,289
Total other debtors	2,044,749	2,138,404

OKHAHLAMBA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

17 CALL INVESTMENT DEPOSITS

Other deposits	46,473,785	24,200,884
	<u>46,473,785</u>	<u>24,200,884</u>

Other deposits of R 1 550 836 are ring fenced and attributable to the Capital Replacement Reserve. Deposits of R 44,922,949 are ring fenced and relate to unutilised conditional government grants. An amount of R 363 342 relating to unutilised conditional government grant is not invested.

18 BANK,CASH AND OVERDRAFT BALANCES

The Municipality has the following bank accounts:

Current account (Primary bank account)

First National Bank - Bergville Branch
Account number - 51660362710

Cash book balance at beginning of year (overdrawn)	(602,647)	(820,969)
Cash book balance at end of year	1,478,952	(602,647)

Bank statement balance at beginning of year	583,011	400,687
Bank statement balance at end of year	4,701,447	583,011

Current account
Absa Bank - Newcastle Branch
Account number - 4062409321

Cash book balance at beginning of year	45,923	-
Cash book balance at end of year	7,573	45,923

Bank statement balance at beginning of year	45,923	
Bank statement balance at end of year	7,573	45,923

19 PROPERTY RATES

Actual
Other

Total assessment rates	4,200,095	3,868,895
	<u>4,200,095</u>	<u>3,868,895</u>

	<u>2008</u> LAND	<u>2008</u> BUILDINGS	<u>2007</u> LAND	<u>2007</u> BUILDINGS
Valuations				
Residential	79,234,220	95,595,300	81,179,180	99,543,300
Commercial	18,262,500	93,609,750	18,284,200	93,609,750
State	824,000	2,325,400		
Municipal	3,200,960	5,984,100		
Other	8,668,000	4,815,000	7,244,760	8,793,500
	<u>110,189,680</u>	<u>202,329,550</u>	<u>106,708,140</u>	<u>201,946,550</u>
Total property valuations				

OKHAHLAMBA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

20 SERVICE CHARGES

Refuse removal	411,680	392,116
Other	168,708	285,441
	<u>580,388</u>	<u>677,557</u>

21 GOVERNMENT GRANTS AND SUBSIDIES

Equitable share	23,384,956	21,448,714
Department of Housing - operating subsidy	12,824	166,690
Capacity building		85,440
Library subsidy		62,346
Museum subsidy	72,000	72,325
Clinic subsidy	1,154,516	1,040,862
Traffic subsidy	49,215	
Conditional grants utilised to finance property, plant and equipment	6,770,631	6,839,824
Conditional grants utilised to finance operating expenses	<u>1,083,269</u>	<u>2,101,116</u>
	<u>32,527,411</u>	<u>31,817,317</u>

Refer Appendix F

22 OTHER INCOME

190,568 138,380

23 EMPLOYEE RELATED COSTS

Employee related costs - salaries and wages	8,615,083	7,308,562
Employee related costs - contributions to UIF, pension and medical costs	1,296,253	1,000,458
Travel, vehicle, accommodation, subsistence and other allowances	976,115	749,486
Housing benefits and allowances	44,327	57,435
Overtime payments	396,860	468,058
Performance bonus		
Long service awards	<u>583,596</u>	<u>441,850</u>
Sub-total	<u>11,912,235</u>	<u>10,025,849</u>
Less: Employee costs allocated to Property, Plant and Equipment		
Less: Employee costs included in other expenses		
Total employee related costs	<u>11,912,235</u>	<u>10,025,849</u>

There were no advances to employees.

Remuneration of the Municipal Manager

Annual remuneration [Resigned 28/2/2008]	364,560	386,435
Bonus	41,864	
Car allowance	91,341	114,152
Contributions to Medical and Pension Funds	<u>933</u>	
	<u>498,698</u>	<u>500,587</u>

Remuneration of the Chief Financial Officer

Annual remuneration	278,318	230,385
Bonus	23,641	
Car allowance	102,440	93,977
Contributions to Medical and Pension Funds	<u>1,465</u>	
	<u>405,864</u>	<u>324,362</u>

OKHAHLAMBA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

Remuneration of other managers
30-Jun-2007

	Corporate Services	Technical Services	Social Services
Annual remuneration	225,147	209,005	177,411
Performance bonus			
Car allowance	86,673	63,294	60,294
Contributions to Medical and Pension Funds		5,075	2,177
	<u>311,820</u>	<u>277,374</u>	<u>239,882</u>
30-Jun-2008			
Annual remuneration	269,061	254,035	254,035
Bonus		21,163	21,163
Car allowance	99,036	91,705	91,705
Contributions to Medical and Pension Funds	1,714	1,465	1,465
	<u>369,811</u>	<u>368,368</u>	<u>368,368</u>

24 REMUNERATION OF COUNCILLORS

Mayor		433,358	278,775
Deputy Mayor		368,900	256,918
Speaker		368,102	257,958
Executive committee members		1,235,485	569,390
Councillors		<u>2,047,058</u>	<u>2,955,959</u>
		<u>4,452,903</u>	<u>4,319,000</u>

The amount paid includes increases which were back dated to 1 August 2007.

In - kind benefits

The Mayor has use of a Council owned vehicle for official duties

The Mayor has 5 full-time bodyguards

INTEREST PAID

25 External loans		25,781	127,549
Finance leases		<u>9,462</u>	<u>22,389</u>
		<u>35,243</u>	<u>149,938</u>

26 BULK PURCHASES

Electricity and water		-	-
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27 GRANTS AND SUBSIDIES PAID

NIL

28 GENERAL EXPENSES

Extraordinary and/or unforeseen expenses	NIL	-	-
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OKHAHLAMBA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

29 CASH GENERATED BY OPERATIONS

Surplus (deficit) for the year	6,109,887	7,497,483
Adjustment for :		
Prior year		1,375,569
Transfer Water and Sewer functions		
Depreciation	2,694,637	398,681
Gain on disposal of property, plant and equipment		
Contributions to provisions- non-current		
Contributions to provisions - current		
Contributions to bad debt provision	1,000,000	4,109,312
Investment income	4,227,533	(1,605,234)
Interest paid	35,243	149,938
Operating surplus before working capital changes	5,612,234	11,925,749
(increase) decrease in consumer debtors	(1,321,387)	(1,954,223)
(increase) decrease in other debtors	93,654	(485,410)
Increase (decrease) in conditional grants and receipts	28,902,049	(565,879)
Increase (decrease) in creditors	(3,172,465)	3,996,872
Increase (decrease) in provisions	1,294,712	
Increase (decrease) in VAT	31,408,797	12,917,109

30 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following amounts:

Bank balances and cash	1,488,859	48,255
Bank overdraft		(602,647)
	1,488,859	(554,392)

31 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

31.1 Contributions to organised local government

Opening balance

Council contributions

Amount paid - current year	44,913	35,686
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Amount paid - previous years		
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Balance unpaid (included in creditors)	-	-
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31.2 Audit fees

Opening balance

Current year audit fee	358,073	252,602
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Amount paid current year	358,073	252,602
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Amount paid - previous years		
------------------------------	--	--

Balance unpaid (included in creditors)		-
--	--	---

OKHAHLAMBA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

31.3 VAT

Opening balance	402,115	(7,499)
Current year output VAT	(2,683,593)	(62,942)
Current year input VAT	4,836,325	555,189
Amount paid - current year	1,292	47,446
Amount refunded by SARS - current	(3,850,850)	(130,079)
Amount due by/to SARS - included in debtors/(creditors)	<u>(1,294,711)</u>	<u>402,115</u>

All VAT returns have been submitted by the due date.

31.4 PAYE and UIF

Opening balance		
Current year payroll deductions and Council UIF contributions	1,659,045	1,372,181
Amount paid - current year	1,659,045	1,372,181
Amount paid - previous years		
Balance unpaid (included in creditors)	-	-

31.5 Pension and medical aid deductions

Opening balance		
Current year payroll deductions and Council contributions	2,568,627	1,516,409
Amount paid - current year	2,568,627	1,516,409
Amount paid - previous years		
Balance unpaid (included in creditors)	-	-

31.6 Councillors arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days as at :

30 June 2007	Total	Outstanding less than 90 days	Outstanding more than 90 days
Councillor T Mpembe	1,078	77	1,001
30 June 2008	Total	Outstanding less than 90 days	Outstanding more than 90 days
Councillor T A Radebe	4,736	466	6,438

OKHAHLAMBA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

32 CAPITAL COMMITMENTS

Commitments in respect of capital expenditure:

- approved and contracted for	
Infrastructure	8,253,000
Land and buildings	
Refuse disposal site	1,240,000
Taxi rank	1,800,000
Community	1,340,000
Vehicles and equipment	916,900

- approved but not yet contracted for	
Infrastructure	10,883,886
Land and buildings	
Taxi rank	
Refuse disposal site	
Community	
Vehicles and equipment	

	10,883,886	13,549,900
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This expenditure will be financed from

- capital replacement reserve		916,900
- government grants	10,883,886	12,633,000
- own resources		
-	10,883,886	13,549,900

33 RETIREMENT BENEFIT INFORMATION

Certain Councillors and Certain employees belong to defined benefit retirement funds administered by the Natal Joint Municipal Pension Fund. These funds are subject to a triennial actuarial valuation. The last valuation was performed in 2005

33.1 SUPERANNUATION FUND

The actuarial value of total assets was R121,7 million more than the actuarial value of the liabilities for service of members to that date and for pensioners, made up as follows

33.1.1. surplus of R 210 million in respect of pensioners (funding level 119,4%)

33.1.2. deficit of R 88,3 million in respect of members (funding level 95 %)

33.1.3. the fund was thus 104,3% funded

33.1.4. the fund did not hold an investment reserve.

33.1.5. the total contribution rate payable, including the surcharge by and on behalf of members, exceeded that required for future service by 1,41% of member's pensionable emoluments

33.1.6. An additional contribution by way of a surcharge amounting to 6% of salaries is currently in place to fund the deficit. This surcharge will reduce to 4,5 per cent with effect from 1 July 2007.

OKHAHLAMBA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

33.2 RETIREMENT FUND

The actuarial value of total assets was R140,9 million less than the actuarial value of the liabilities for service of members to that date and for pensioners, made up as follows

- 33.2.1. surplus of R63,4 million in respect of pensioners (funding level 116,2%)
- 33.2.2. deficit of R204,3 million in respect of members (funding level 73,0%)
- 33.2.3. the fund was thus 87,7% funded
- 33.2.4. the fund did not hold an investment reserve
- 33.2.5. the total contribution rate payable (including the surcharge of 14% payable jointly by pre-1 July 2002 members and by employers on their behalf) exceeded that required for future service by 12,59% of members pensionable emoluments. This should be sufficient to eliminate the deficit by 2010 provided that salary increases do not exceed CPIX plus 0,5 %.

34 CONTINGENT LIABILITIES
NIL

APPENDIX A

OKHAHLAMBA LOCAL MUNICIPALITY : SCHEDULE OF EXTERNAL LOANS AT 30 JUNE 2008

EXTERNAL LOANS	Loan Number	Redeemable	Balance at 30/06/2007 R	Received during the year R	Redeemed or written off during the year R	Balance at 30/06/2008 R	Carrying value of property plant & equip. R
ANNUITY LOAN							
Msekele @ 12%		31/01/2008	468,750		468,750	-	
Winterton Farmers Association		30/06/2014	9,450			9,450	
LEASE LIABILITY							
Vehicles @ 13,079 to 13,25%		04/02/2009	106,684		75,882	30,802	245588
TOTAL			54,4884		54,632	40,252	245588

APPENDIX B
OKHAHLAMBA LOCAL MUNICIPALITY : ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AT 30 JUNE 2008

	Opening Balance	Cost/ Revaluation Additions Under Construction	Disposals	Closing Balance	Opening Balance	Accumulated Depreciation Additions Disposals	Closing Balance	Carrying Value	Budget Additions 2007
Land and Buildings									
Land	1,154,474			1,154,474				1,154,474	
Buildings	4,674,091			4,674,091	1,717,787	240,746	1,958,533	2,715,558	
	5,828,565			5,828,565	1,717,787	240,746	1,958,533	3,870,032	0
Infrastructure									
Roads and construction works	13,107,356	10,419,313		23,526,669	3,532,117	1,984,677	5,516,794	18,009,875	
	13,107,356	0	10,419,313	23,526,669	3,532,117	1,984,677	5,516,794	18,009,875	0
Other Assets									
Office and computer equipment	1,572,905	252,662		1,825,567	1,028,642	247,802	1,276,444	549,123	
Furniture and fittings	448,791	57,638		506,429	187,042	42,332	229,374	277,054	
Tools	144,632			144,632	127,062	5,299	132,361	12,270	
Motor vehicles and major equipment	2,016,464			2,016,464	1,262,239	131,715	1,393,954	622,511	
Machinery	355,393	10,693		366,086	279,504	25,942	305,446	60,641	
Air conditioners	57,881			57,881	46,688	1,891	48,579	9,302	
Other	707,626			707,626	638,614	14,233	652,847	54,779	
	5,303,692	320,993	0	5,624,685	3,569,790	469,214	4,039,004	1,585,680	0
Total	24,239,612	320,993	10,419,313	34,979,918	8,819,694	2,694,637	11,514,331	23,465,587	0

APPENDIX C

OKHAHLAMBA LOCAL MUNICIPALITY : SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AT 30 JUNE 2008

	Cost/ Revaluation				Accumulated Depreciation				Carrying Value	
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals		Closing Balance
Executive and Council	4,398,126	53,069			4,451,195	1,798,224	315,942		2,114,166	2,337,029
Finance and Admin	674,444	194,447			868,891	532,036	104,006		636,042	232,849
Planning and Development	0				0					0
Health	762,345				762,345	386,454	45,942		432,396	329,949
Community & Social Services	459,832	10,717			470,549	225,947	29,233		255,180	215,369
Housing	325,134	10,717			335,851		1,607		1,607	334,244
Public Safety	1,144,444	10,717			1,155,161	435,224	115,538		550,762	604,399
Sport and Recreation	74,472				74,472	62,555	999		63,554	10,918
Environmental Protection	0				0					0
Waste Management	360,837				360,837	232,789	15,309		248,098	112,739
Road Transport	15,270,256	29,226	10,419,313		25,718,795	4,795,302	2,016,232		6,811,534	18,907,261
Other	769,722	12,100			781,822	351,163	49,829		400,992	380,830
	24,239,612	320,993	10,419,313	0	34,979,918	8,819,694	2,694,637		11,514,331	23,465,587

APPENDIX D

**OKHAHLAMBA LOCAL MUNICIPALITY : SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2008**

<u>2007</u>	<u>2007</u>	<u>2007</u>		<u>2008</u>	<u>2008</u>	<u>2008</u>
Actual Income R	Actual Expenditure R	Surplus/ (Deficit) R		Actual Income R	Actual Expenditure R	Surplus/ (Deficit) R
27,734,595	20,329,928	7,404,667	Executive and Council	29,515,324	14,211,588	15,303,736
1,802,391	2,675,170	(872,779)	Finance and Admin	4,374,114	5,809,252	(1,435,138)
		-	Planning and Development			-
1,040,860	945,019	95,841	Health	1,154,517	1,104,694	49,823
246,305	474,319	(228,014)	Community & Social Services	112,036	4,745,778	(4,633,742)
1,472,788	811,291	661,497	Housing	12,824	1,607	11,217
202,957	887,303	(684,346)	Public Safety	329,813	1,217,734	(887,921)
	83	(83)	Sport and Recreation		1,000	(1,000)
		-	Environmental Protection			-
485,288	105,490	379,798	Waste Management	411,680	32,858	378,822
5,917,640	4,672,672	1,244,968	Road Transport	6,944,940	8,838,301	(1,893,361)
14,300		14,300	Water			-
5,131	523,497	(518,366)	Other	959	783,507	(782,548)
<u>38,922,255</u>	<u>31,424,772</u>	<u>7,497,483</u>	Sub - total	<u>42,856,207</u>	<u>36,746,319</u>	<u>6,109,888</u>
			Less : Inter departmental charges			
<u>38,922,255</u>	<u>31,424,772</u>	<u>7,497,483</u>		<u>42,856,207</u>	<u>36,746,319</u>	<u>6,109,888</u>

APPENDIX E (1)

OKHAHLAMBA LOCAL MUNICIPALITY : ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2008

	2008	2008	2008	2008	Explanation of significant variances
REVENUE	Actual	Budget	Variance	Variance	
	R	R	R	%	
Property rates	4,200,095	4,149,000	51,095	1	
Property rates - penalties imposed and collection charges	816,990	620,000	196,990	32	
Service charges	580,388	302,000	278,388	92	
Rental of facilities and equipment	32,724	18,000	14,724	82	
Interest earned - external investments	4,227,533	800,000	3,427,533	428	
Interest earned - outstanding debtors					
Fines	89,340	200,000	(110,660)	(55)	
Licences and permits					
Income for agency services	191,258	150,000	41,258	28	
Government grants and subsidies	32,527,411	26,057,220	6,470,191	25	
Other income	190,568	454,800	(264,232)	(58)	
Public contributions, donated and contributed property, plant and equipment					
Gain on disposal of property, plant and equipment					
Total Revenue	42,856,307	32,751,020	10,105,287	31	
EXPENDITURE					
Employee related costs	11,912,234	12,335,158	422,924	3	
Remuneration of Councillors	4,452,903	4,180,972	(271,931)	(7)	
Bad debts	1,605,785	500,000	(1,105,785)	(221)	
Collection costs					
Depreciation	2,694,637	269,750	(2,424,887)	(899)	
Repairs and maintenance	1,423,584	1,487,302	63,718	4	
Interest paid	35,243		(35,243)	#DIV/0!	
Bulk purchases					
Contracted services	3,315,208	3,852,269	537,061	14	
Grants and subsidies paid					
General expenses	11,306,726	12,519,416	1,212,690	10	
Loss on disposal of property, plant and equipment					
Total Expenditure	36,746,320	35,144,867	(1,601,453)	(5)	
Surplus (Deficit) for the year	6,109,987	(2,393,847)	8,503,834		

APPENDIX E (2)

OKHAHLAMBA LOCAL MUNICIPALITY : ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2008

	2008 Actual	2008 Under Construction	2008 Total Additions	2008 Budget	2008 Variance	2008 Variance	Explanation of significant variances
	R	R	R	R	R	%	
Infrastructure							
Construction works		10,419,313	10,419,313		10,419,313		
	0	10,419,313	10,419,313	0	10,419,313		
Community Assets							
Buildings					0		
Furniture	15,802		15,802		15,802		
Construction works			0		0		
Office and accounting machines	59,104		59,104		59,104		
Vehicles					0		
	74,906	0	74,906	0	74,906		
Other Assets							
Office and accounting machines	193,558		193,558		193,558		
Furniture and fittings	41,836		41,836		41,836		
Radios			0		0		
Machinery	10,693		10,693		10,693		
Buildings					0		
Air conditioners					0		
Security measures					0		
Vehicles			0		0		
	246,087	0	246,087	0	246,087		
Total	320,993	10,419,313	10,740,306	0	10,740,306		

OKHAHLAMBA LOCAL MUNICIPALITY
DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, ACT 56 OF 2003

APPENDIX F

Description	Name of organ of State	Unspent balance at 1 July 2007	Received 2007/2008 Received	Expenditure 2007/2008	Transfer 2007/2008	Unspent balance at 30 June 2008	Grants delayed/ withheld	Reason for delaying/ withholding funds
		R	R	R	R	R	R	
OPERATING GRANTS								
Indigent support		-				-		
Integrated dev. Plan		(105,914)				(105,914)		
Finance management grant		(35,780)				(35,780)		
Anti fraud grant		(84,830)		9,141		(75,689)		
Property rates grant		(220,000)				(220,000)		
Land use management grant		(228,141)		18,956		(209,185)		
Grant MFMA compliance		(302,253)	(250,000)	75,814		(476,439)		
Grant capacity building		(166,552)				(166,552)		
Grant pms		(80,320)		40,000		(40,320)		
Grant development infrastructure support		(860,889)	(734,000)	682,357		(912,532)		
Grant waste project		-				-		
MPCC		(400,000)				(400,000)		
Project consolidate - internal control		(150,000)				(150,000)		
Project consolidate - organisation structure		(137,000)		137,000.00		-		
Project consolidate - public Participation		(250,000)	(100,000)			(350,000)		
Infrastructure investment program		(200,000)				(200,000)		
Valuation roll		(100,000)				(100,000)		
Grant - management assistance program		-	(200,000)			(200,000)		
Grant - management audit		(50,000)		50,000		-		
Grant-GIJIMA KZN-OKH enterprise			(70,000)	70,000		-		
Grant-GIJIMA KZN-base line study			(46,438)			(46,438)		
CAPITAL GRANTS								
Grants - general		-				-		
Grants - general		(69,352)				(69,352)		
Municipal infrastructure grant - roads		(249,415)	(10,659,954)	6,770,631	129,825	(4,008,913)		
Grant - refuse disposal site		(1,212,765)				(1,212,765)		
Grant - cemetery		(68,692)				(68,692)		
Grant - computer system		(220,000)				(220,000)		

OKHAHLAMBA LOCAL MUNICIPALITY
DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, ACT 56 OF 2003

APPENDIX F CONTINUED

Description	Name of organ of State	Unspent balance at 1 July 2007	Received 2007/2008 Received	Expenditure 2007/2008	Transfer 2007/2008	Unspent balance at 30 June 2008	Grants delayed/ withheld	Reason for delaying/ withholding funds
		R	R	R	R	R	R	
Grant - integrated development plan		(752)				(752)		
Equitable share		(2,064,279)	(1,775,572)	3,969,675	(129,825)	-		
Transitional grant		(135,348)				(135,348)		
Grant - arts and crafts		-				-		
Grant - management assistance program		-				-		
HOUSING PROJECTS								
Nhlalaneni		(8,499,300)				(8,499,300)		
Amazizi 1		(154,495)	(21,656,672)	6,468,734		(15,342,433)		
Amazizi 2		(28,700)	(18,975,153)	8,103,395		(10,900,458)		
Action Homes		(194,000)		26,754		(167,246)		
Door of Hope		(94,200)				(94,200)		
Operating subsidy		-				-		
Langkloof and Guguletu		(21,466)	(1,182,500)	325,784		(878,182)		
		(16,384,443)	(55,650,289)	26,748,241	-	(45,286,491)		